



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

June 9, 2015

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <http://www.legis.iowa.gov/law/administrativeRules/arcc/fiscalImpact>

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Department of Human Services

ARC 1997C

Rule Summary Implements federal law changes related to the Preventing Sex Trafficking and Strengthening Families Act (Public Law 113-183). Adopts the following amendments:

- Implements procedures and training for the identification of, and services to, victims and potential victims of sex trafficking.
- Enhances foster care transition programs and training to ensure caretakers make the best decisions to prepare youth for adulthood.
- Makes technical corrections.

Agency Stated Authority: Iowa Code section 217.6.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Administrative Services

ARC 2000C

Rule Summary Adopts amendments to several Iowa Administrative Code (IAC) chapters. The Department of Administrative Services is continuing its effort to review administrative rules in accordance with Executive Order 71 by amending certain human resources rules. These amendments eliminate conflict with statute, align rules for the phased retirement program with changes to the Iowa Code, reflect changes in federal law, and take other actions that reflect and clarify departmental practice.

Agency Stated Authority: Iowa Code section 8A.104(5).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Agriculture and Land Stewardship

ARC 1998C

Rule Summary Updates the standards for handling and storing anhydrous ammonia and adopts new national standards.

Agency Stated Authority: Iowa Code section 200.1.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Environmental Protection Commission

ARC 1988C

Rule Summary Amends the recreational and warm water aquatic life use designations for river and stream segments in Iowa. Additional information is available for individual Use Assessment and Use Attainability Analysis (UA/UAA) from the Department of Natural Resources (DNR).

The DNR applies a step-by-step process to gather site-specific field data on stream features and uses and then assesses available information to determine if the presumed recreational and aquatic life uses are appropriate. The DNR elected to perform a UA/UAA on any newly designated stream that receives a continuous discharge from a facility with a National Pollutant Discharge Elimination System (NPDES) permit and will complete the analysis prior to issuing a NPDES permit for an affected facility. Changes include the following Surface Water Classifications:

- Seven stream segments as Class A1 Primary Contact Recreational Use.
- One stream segment as Class A1 Primary Contact Recreational Use and Class BWW-1 Warm Water – Type 1 Aquatic Life Use.
- Eight stream segments as Class A1 Primary Contact Recreational Use and Class BWW-2 Warm Water – Type 2 Aquatic Life Use.
- Three stream segments as Class A2 Secondary Contact Recreational Use.
- Thirty-seven stream segments as Class A2 Secondary Contact Recreational Use and Class BWW-2 Warm Water – Type 2 Aquatic Life Use.
- Four stream segments as Class A2 Secondary Contact Recreational Use and Class BWW-3 Warm Water Use.
- Five stream segments as Class A3 Children's Recreational Use.
- Sixteen streams as Class A3 Children's Recreational Use and Class BWW-2 Warm Water Use.
- Two streams to match the United States Geological Survey (USGS) title.
- Two streams approved in previous rulemaking efforts that were omitted.
- Revises the legal descriptions of approximately 51 stream segments that are not individually listed.

Agency Stated Authority: Iowa Code section 455B.103.

Fiscal Impact **Agency Response:** No fiscal impact to the State. The stream designation does not alter the costs of permit application review or permit reissuance. Wastewater treatment facilities, particularly those owned by local governments, could be impacted

by the rule change. It is estimated between \$46.0 million and \$64.0 million could be expended on facility upgrades.

LSA Response: The LSA concurs.

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Department of Natural Resources

ARC 1989C

Rule Summary Implements the State Lands Volunteer Program created in HF 2397 (Volunteers Liability Protection on State Lands Act). Allows select nonprofit organizations, and the individuals working for them, to be eligible for liability protection under Iowa Code chapter 669 (State Tort Claims Act) while performing qualifying volunteer services for the department.

Agency Stated Authority: Iowa Code section 669.24.

Fiscal Impact **Agency Response:** The fiscal impact cannot be determined.

LSA Response: The LSA concurs.

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Dental Board

ARC 1995C

Rule Summary Reduces the retention schedule for study models and casts after the patient's date of last examination.

Agency Stated Authority: Iowa Code sections 147.76 and 272C.2.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Inspections and Appeals

ARC 1993C

Rule Summary Adopts technical changes to update filing and service rules for contested case proceedings to permit appropriate use of email and fax transmission of documents to the Administrative Hearings Division and other parties to ensure consistency between the general rules and those involving permits to carry weapons or acquire firearms. The amendments also clarify that the rehearing procedure required by Iowa Code section 17A.162 is applicable to cases involving permits to carry weapons or acquire firearms under Iowa Code section 724.21A. The proposed rules update the process for individuals contesting decisions made by State agencies, allowing the use of email and providing consistency in the filing process.

Agency Stated Authority: Iowa Code sections 10A.801 and 724.21A.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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ARC 1994C

Rule Summary Rescinds the definitions of “applicant” and “certificate holder.” These terms were rendered obsolete by recent changes made to the administrative rules governing assisted living programs, elder group homes, and adult day service providers. The proposed rule reflects recent changes to the certification process of assisted living programs and is technical in nature.

Agency Stated Authority: Iowa Code section 231C.3(1).

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

ARC 1996C

Rule Summary Implements changes resulting from enactment of SF 401 (Involuntary Placement in Subacute Facilities Act). The Act provides for an increase in the number of publicly funded subacute facility beds from 50 to 75. The Act also allows for the treatment of individuals involuntarily hospitalized under Iowa Code Chapter 229, eliminating the requirement that such persons be voluntarily admitted to a facility.

Agency Stated Authority: Iowa Code section 135G.10.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Insurance Division

ARC 1999C

Rule Summary Adopts language that clarifies authorized methods of cancellation, suspension, forfeiture, nonrenewal, and termination of various life, accident, health, health maintenance, long-term care, annuity, property, and casualty insurance delivery notices. Under the Uniform Electronic Transactions Act, such notices must be sent, communicated, or transmitted via first class regular mail with prepaid postage. In addition to upholding the conditions of the Act, the amendments also implement various policyholder protections such as the recognition of recognizable acceptable proof of such notices.

Agency Stated Authority: Iowa Code chapter 523A.

Fiscal Impact **Agency Response:** No fiscal impact. The regulated community will pay for any additional costs that may arise.

LSA Response: The LSA occurs.

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Iowa Public Information Board

ARC 2012C

Rule Summary Adopts procedures for issuing advisory opinions and provides guidelines for requesting and processing advisory opinions. This rulemaking provides the Board with authority to issue opinions without first being requested to do so.

Agency Stated Authority: Iowa Code section 23.6.

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Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Clarifies and applies the definition of “conflict of interest” rule to all Board staff, including the Executive Director. Provides guidelines on how to handle a conflict of interest, and reflects the State Code of Ethics as found in Iowa Code chapter 68B. **ARC 2013C**

Agency Stated Authority: Iowa Code section 23.6.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

Rule Summary Adopts procedures the Board has utilized for processing and reviewing filed complaints. This rulemaking allows the Board to delegate acceptance or dismissal of a complaint to the Executive Director in order to expedite proceedings, subject to review by the Board. **ARC 2011C**

Agency Stated Authority: Iowa Code section 23.6.

Fiscal Impact **Agency Response:** No fiscal impact. This rulemaking simply reflects current procedure.

LSA Response: The LSA concurs.

Rule Summary Adopts a new IAC Chapter Board decisions involving complaints of open meetings laws. The amendment includes guidelines regarding when and where to post meeting notices, and the conduct of closed session meetings. **ARC 2010C**

Agency Stated Authority: Iowa Code section 23.6.

Fiscal Impact **Agency Response:** No fiscal impact. The proposed rulemaking does not impose new obligations on the regulated community as it already prints and posts meeting notices.

LSA Response: The LSA concurs.

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Labor Services Division

Rule Summary Revises procedures for issuing child labor work permits. Amends and rescinds obsolete language and implements HF 397 (Child Labor Permit Exception Act), enacted during the 2015 Legislative Session. **ARC 2014C**

Agency Stated Authority: Iowa Code sections 91.6 and 92.21.

Fiscal Impact **Agency Response:** No fiscal impact. These are simply conforming amendments.

LSA Response: The LSA concurs.

ARC 1987C

Rule Summary Rescinds existing IAC chapters regarding amusement rides and adopts new chapters in their place. There will be a new IAC chapter devoted entirely to bungee jumping.

Agency Stated Authority: Iowa Code section 88A.3.

Fiscal Impact **Agency Response:** These changes will have no obvious impact on State revenue or expenses. There may be some expenses incurred by amusement ride operators; however, a five-year grace period is set forth for some of the safety enhancements. Many operators are already in compliance with the national industry standards.

LSA Response: The LSA concurs.

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Workers Compensation Division

Emergency Rulemaking

Rule Summary Updates references to payroll tax withholdings for purposes of determining weekly Workers' Compensation payments.

Agency Stated Authority: Iowa Code section 86.8.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Department of Corrections

ARC 1990C

Rule Summary Amends Iowa Prison Industries (IPI) rules as follows:

- Updates routine matters such as addresses, hours of operation, location of product catalogs, etc.
- Permits products to be sold to contractors when the products will be sold to a public entity.
- Adopts by reference the provisions of the Department of Administrative Services (DAS) rules dealing with procurement of goods and services.
- Replaces a definitional term governing private sector employment of offender, and replaces a definitional term governing utilization of offender labor in construction and maintenance projects.

Agency Stated Authority: Iowa Code section 904.804.

Fiscal Impact **Agency Response:** This rule change does not add costs; it merely clarifies that a general contractor can purchase IPI products on behalf of an authorized customer as outlined in Iowa Code section 904.815.

LSA Response: The LSA concurs that the proposed rules do not add costs. The rule change that permits products to be sold to contractors when the products will be sold to a public entity may increase gross sales of IPI products. Net income may increase as a result. However, potential changes in gross sales and net income cannot be estimated.

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Alcoholic Beverages Division

ARC 1992C

Rule Summary Amends current rules into separate parts and numbers them accordingly. The amendments mirror federal regulations regarding transactions between industry members and retailers. Adopts the following amendments:

- Adds a preamble to IAC Chapter 16 and Parts II, III, IV, V, and VI to identify purpose and persons governed.
- Adds a preamble to Part I to introduce definitions.
- Adds a preamble to Part VII to discuss violations of IAC Chapter 16.
- Reserves certain rules to provide for future expansion.

Agency Stated Authority: Iowa Code section 123.21.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs.

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Iowa Finance Authority

ARC 2001C

Rule Summary Updates the implementation sentence related to purchasing by correcting an Iowa Code citation.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), and 16.5(1)(f).

Fiscal Impact **Agency Response:** No fiscal impact. The change is technical in nature and does not impact spending.

LSA Response: The LSA concurs.

ARC 2002C

Rule Summary Updates the implementation statement related to the Transitional Housing Revolving Loan Program by changing an Iowa Code citation.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), and 16.48.

Fiscal Impact **Agency Response:** No fiscal impact. The amendment is technical and does not impact spending.

LSA Response: The LSA concurs.

ARC 2003C

Rule Summary Updates the implementation statements related to the Water Pollution Control Works and Drinking Water Facilities Financing Programs.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b), 16.5(1)(r), and 16.48.

Fiscal Impact **Agency Response:** No fiscal impact. The amendment is technical and does not impact spending.

LSA Response: The LSA concurs.

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	<u>ARC 2004C</u>
Rule Summary	Clarifies the implementation statements related to the Jump-Start Housing Assistance Program. Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u> , <u>16.5(1)(r)</u> , and <u>16.56</u> .
Fiscal Impact	Agency Response: No fiscal impact. The amendment is technical and does not impact spending. LSA Response: The LSA concurs.
	<u>ARC 2005C</u>
Rule Summary	Updates implementation statements and statutory references. Clarifies the implementation statements related to the Council on Homelessness. Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u> , <u>16.5(1)(r)</u> , and <u>16.2D</u> .
Fiscal Impact	Agency Response: No fiscal impact. The amendment is technical and does not impact spending. LSA Response: The LSA concurs.
	<u>ARC 2006C</u>
Rule Summary	Amends rules related to the Water Quality Financial Assistance Program to reflect revisions to Iowa Code section <u>16.131</u> . Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u> and <u>16.5(1)(r)</u> .
Fiscal Impact	Agency Response: No fiscal impact. The amendments are technical corrections to reflect revisions to State law. LSA Response: The LSA concurs.
	<u>ARC 2007C</u>
Rule Summary	Amends rules related to the Affordable Housing Assistance Grant Fund by rescinding the rules to reflect current law. Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u> and <u>16.5(1)(r)</u> .
Fiscal Impact	Agency Response: No fiscal impact. The rulemaking rescinds the rules for a discontinued program. LSA Response: The LSA concurs.
	<u>ARC 2008C</u>
Rule Summary	Amends rules related to the Community Housing and Services for Persons with Disabilities Revolving Loan Program to reflect revisions to Iowa Code section <u>16.49</u> . Agency Stated Authority: Iowa Code sections <u>17A.3(1)(b)</u> and <u>16.5(1)(r)</u> .
Fiscal Impact	Agency Response: No fiscal impact. The amendments are technical corrections to reflect revisions to State law. LSA Response: The LSA concurs.

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ARC 2009C

Rule Summary Amends rules related to the Iowa Agricultural Development Division to reflect revisions to Iowa Code section 16.49.

Agency Stated Authority: Iowa Code sections 17A.3(1)(b) and 16.5(1)(r).

Fiscal Impact **Agency Response:** No fiscal impact. The amendments are technical corrections to reflect revisions to State law.

LSA Response: The LSA concurs.

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Regents Board

ARC 1991C

Rule Summary Aligns the public universities with federal rules and the Home Base Iowa statute regarding the classification of veterans as residents.

Agency Stated Authority: Iowa Code section 262.9(3).

Fiscal Impact **Agency Response:** The fiscal impact of the rule change cannot be determined.

LSA Response: The LSA concurs. The rule change will reduce tuition costs for nonresident veterans and their spouses and dependents by permitting them to pay resident tuition rates. This has the potential to reduce tuition revenue at the universities but the amount of that reduction cannot be determined. In the 2014-2015 academic year, the difference between the resident and nonresident undergraduate tuition rates is:

- University of Iowa - \$19,330
- Iowa State University - \$12,886
- University of Northern Iowa - \$9,898

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Department of Transportation

ARC 1986C

Rule Summary Adopts the latest version of the Manual on Uniform Traffic Control Devices (MUTCD) and strikes subrules that were incorporated into the MUTCD. Allows signage for named bridges and incorporates changes to the signage for named routes. Other changes exempt the interstate from being named, require applicants to pay installation costs of the signs, make changes to the size of the signs, and make changes for clarity and consistency.

Agency Stated Authority: Iowa Code sections 307.10, 307.12, and 321.252.

Fiscal Impact **Agency Response:** Minimal fiscal impact. No changes to existing traffic control devices are required. As the traffic control devices are replaced, the new devices must comply with the MUTCD.

Requiring applicants to pay for sign post installation and hardware will decrease DOT expenditures by an estimated \$5,000 per year.

LSA Response: The LSA concurs.

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